



The Pensioner: In the Moment

Welcome to the digital MPERS newsletter! *The Pensioner: In the Moment* contains news, updates, and important information for retirees of the Missouri Department of Transportation, the Missouri State Highway Patrol, and MPERS.

New Trustees Appointed

MPERS recently welcomed Commissioner W. Dustin Boatwright and Representative Barry Hovis to the Board of Trustees. To learn more about the current Board of Trustees, please visit the [Board Members page](#) on www.mpers.org.



Commissioner W. Dustin Boatwright was appointed to the Board on March 3, 2021 by the Missouri Highways and Transportation Commission. He replaced Commissioner John Briscoe who served on the Board since 2016.

Click to learn more about
Commissioner Boatwright.



Representative Barry Hovis was appointed to the Board on March 23, 2021 by the House Speaker Rob Vescovo. He replaced Representative Sara Walsh who resigned from the Board on January 25, 2021.

Click to learn more about
Representative Hovis.

IRS Requirements Regarding Reemployment



Reemployment after retirement is common. Reemployment in part-time, seasonal, and/or temporary positions with a former employer can be convenient for both the employer and the former employee. However, in addition to the reemployment guidelines of the Closed Plan, Year 2000 Plan, and the 2011 Tier, there are two additional IRS requirements that must also be followed.

To ensure everyone is in compliance with these requirements,

MPERS staff has reviewed the policies and procedures currently in place regarding the reemployment of retirees and communicated our concerns to MoDOT and the Highway Patrol. As a result, a plan is in place to prevent compliance issues from arising in the future. The retiree/taxpayer must meet the IRS requirements below *prior* to reemployment with an MPERS- or MOSERS- covered agency.

1. There must be a 30-day separation between retirement and reemployment to be considered retired **and**
2. Prior to retirement, there cannot be a predetermined arrangement to return to work.

If these two requirements are met, then the IRS should be satisfied in the event of an audit.

What action do you need to take since you are already retired?

There is no action you need to take at this time. However, as a taxpayer, there is always a risk of being audited by the IRS. If you retired more than three years ago, you have passed the IRS lookback period that occurs during an audit (unless the agent identifies a substantial error, in which case the agent may ask to review additional years' tax returns).

If your retirement was more recent than three years and you reemployed with an MPERS- or a MOSERS-covered agency without meeting the requirements above and become the subject of an IRS audit, please note that your retirement and subsequent reemployment may be subject to review and final determination by the IRS.

To learn more about these IRS requirements, please visit the [Reemployment after Retirement](#) page on our website.

MPERS' Matters

Contributions

In the March edition of *The Pensioner: Looking Forward*, the oversight formula was introduced:

$$C + I = B + E$$

During April and May we will be focusing on the “C” component of the formula: Contributions.

Contributions come from covered employers (MoDOT and the Patrol) as well as active employees in the 2011 Tier. Employee contributions are a flat percentage of pay and based on the law (Missouri statutes). Currently the employee contribution rate is 4%.

C = Contributions
I = Investments
B = Benefits
E = Expenses

Employer contributions are based on a funding policy established by the Board of Trustees and relies heavily on the recommendations of an actuary. The actuary makes a number of educated guesses about the details of covered members such as salary, length of career, length of life, and so on. The actuary uses these details to arrive at a value of the promised benefits.

The current employer contribution rate is 58% of pay. These contributions covered roughly half of the cost of the plan benefits over the past 20-30 years.

There are two key components to the employer contribution rate: 1) the normal cost and 2) the unfunded liability.

The normal cost is also known as the true cost of the plan. For the period beginning July 2021, the contribution rate for the normal cost is 11.47% of payroll, which is far less than the total contribution rate of 58%. This portion of the rate has remained reasonably constant over the years; however, this rate is projected to steadily decrease over the longer term due to the addition of the 2011 Tier and employee contributions. The eventual result of this steady decrease will be an employer normal cost of roughly 6.15%.

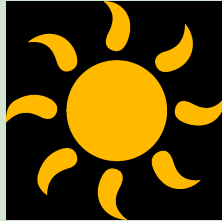
The unfunded liability portion of the contribution rate is 46.53% of payroll. This is often called the “catch-up payment.” This portion of the contribution rate is high due to the Board’s aggressive funding policies, which the current and auditing actuary recently complimented. These aggressive policies are necessary to

make up for the shortfalls of the past that include a number of oversights and market drawdowns.

The good news is that these policies are working as reflected in the improved funded status of the plan. These policies are helping MPERS reach the ultimate funding goal of 100%, but it will require continued time and patience to achieve that goal.

Want to know more about MPERS' plan funding? [Click here!](#)

Stay tuned for part two of the contributions component featured in the May newsletter!



Missouri's Sunshine Law

Did you know that the public can request information from the state of Missouri and its agencies, including public, and quasi-public governmental agencies like MPERS?

As a quasi-governmental agency, MPERS is subject to Missouri state statute. One such statute includes the Missouri Sunshine Law.

The Missouri Sunshine Law, outlined in [Chapter 610 of the Revised Statutes of Missouri](#), allows for members of the public to request information regarding MPERS and other public and quasi-public governmental agencies. Certain retiree information is considered an open, public record under Missouri's Sunshine Law. [Section 610.021\(13\)](#) states in part that personally identifiable information is a closed record with the exception of names, positions, salaries and lengths of service (paraphrased).

Several weeks ago, MPERS received a sunshine request for certain retiree data from [American Transparency](#), a government watchdog organization. In response to this sunshine request, MPERS provided a list of all retiree names, position held prior to retirement, their gross monthly benefit amounts, and the amount of service credit accrued at the time of retirement as per Sunshine Law requirements.

[Read more about Missouri's Sunshine Law](#)



The COVID-19 pandemic has undeniably changed the modern workplace, and MPERS is no exception. Businesses that were used to a traditional office environment were forced to “think outside the box” and accommodate remote work opportunities for their employees. While the modern workforce may look a little different than it did 18 months ago, productivity has not decreased, especially with regards to your MPERS staff.

For the past few years, MPERS has been considering relocating to an office that better suits our needs. With the recent experience working remotely, we are in a unique position to reevaluate how we work. As a result, we are testing the market to see if there is any interest in our facility. If there is, MPERS will seek more efficient space with plans to adapt to a “new normal,” which may change how we use our physical space. Should our physical location change, updating our members and stakeholders of the change will be priority.

If you have questions about this information, please contact us at mpers@mpers.org.



April

Upcoming Events

- 15 - Deadline to submit direct deposit and/or tax withholding changes. [Complete changes here.](#)
- 30 - Board meeting (tentative)
- 30 - Pay day for benefit recipients



We value your feedback!

What would you like to see in ***The Pensioner: In the Moment?***

Send comments and suggestions to Julie.West@mpers.org.